

NOVEMBER 2002 FINANCE & INVESTMENT REPORT

Agenda Item # 1
Prepared By:
Finance Director
Submitted By:
•
City Manager

RECOMMENDED ACTION:

Accept and File Report

EXECUTIVE SUMMARY:

Attached is the monthly Finance and Investment Report for the period ended November 30, 2002. The report covers the first five months of activity for the 2002/2003 fiscal year. A summary of the report is included on the first page for the City Council's benefit.

The monthly Finance and Investment Report is presented to the City Council and our Citizens as part of our ongoing commitment to improve and maintain public trust through communication of our finances, budget and investments. The report also serves to provide the information necessary to determine the adequacy/stability of financial projections and develop equitable resource/revenue allocation procedures.

This report covers all fiscal activity in the City, including the Redevelopment Agency. The Redevelopment Agency receives a separate report for the fiscal activity of the Agency at the meeting of the Agency. Presenting this report is consistent with the goal of *Maintaining and Enhancing the Financial Viability of the City*.

FISCAL IMPACT: as presented

CITY OF MORGAN HILL Monthly Financial and Investment Reports

November 30, 2002 – 42% Year Complete



Prepared by:

FINANCE DEPARTMENT



CITY OF MORGAN HILL, CALIFORNIA FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2002/03 FOR THE MONTH OF NOVEMBER 2002 - 42% OF YEAR COMPLETE

This analysis of the status of the City's financial situation reflects 42% of the year. However, this analysis is somewhat limited. Many of the City's current year revenues have not been received as of this time of the year, such as property taxes and franchise fees. The beginning of a fiscal year normally reflects a surge in purchasing. This is due to the start of projects included in the new budget and to the season to take advantage of good weather for construction projects.

General Fund - The revenues received in the General Fund are approximately 33% of the budgeted revenues. The amount of Sales Tax collected is 37% of the sales tax revenue budget and is 5% less than at this time last year. Business license and other permit collections are 75% of the budgeted amount. This is due to the amount of business license renewals collected in June and July. Motor Vehicle-in-Lieu revenues are 43% of the budgeted amounts, up 5% compared to last year. Interest & Other Revenue are only 20% of budget and reflect interest earnings through September, but do not include interest earnings earned in October and November that will be posted at the end of the second quarter. The amount of Interest & Other Revenue collected is low because the City has not yet begun to collect rental income for Community & Cultural Center rental activity, since the Center is not yet open, and because declining interest rates are generating less interest earnings.

The General Fund expenditures and encumbrances to date total 39% of the budgeted appropriations. The outstanding encumbrances in several activities are encumbrances for projects started but not completed in the last fiscallyear; these projects and the related encumbrances are carried forward from the prior fiscal year.

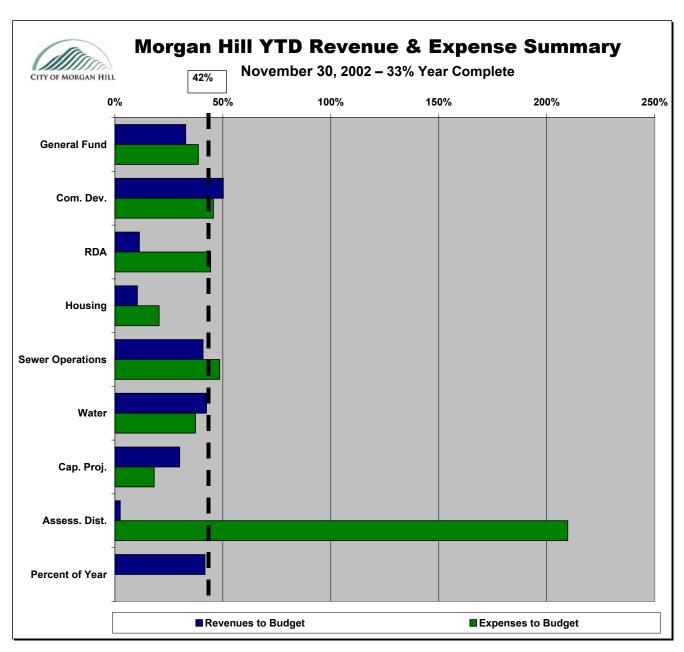
Transient Occupancy (Hotel) Tax - The TOT rate is 10%. The City received \$283,007 in revenue during October for the first quarter ended September 30 and will receive the next quarterly payments in January 2003. The amount received was 1% more than the amount received for the first quarter of the prior year.

Community Development - Revenues are 50% of budget, which is 20% more than the amount collected in the like period for the prior year. Planning expenditures plus encumbrances are 47% of budget, Building has expended or encumbered 41% of budget and Engineering 48%. Community Development has expended or encumbered a combined total of 46% of the 2002/03 budget, including \$393,163 in encumbrances.

RDA and **Housing** - Property tax increment revenues of \$1,636,273 have been received as of November 30. Redevelopment expenditures plus encumbrances for Business Assistance, Administration and Housing are 40% of budget, including \$3,620,269 in encumbrances.

Water and Sewer Operations- Water Operations revenues, including service fees, are 58% of budget. Expenditures total 37% of appropriations. Sewer Operations revenues, including service fees, are 41% of budget. Expenditures for sewer operations are 48% of budget. This higher percentage reflects a principal and interest payment on debt service paid in July.

Investments maturing/called/sold during this period. During the month of November, \$8 million in federal agency investments were called and \$6 million was re-invested in new federal agency investments. Further details of all City investments are contained on pages 6-8 of this report.



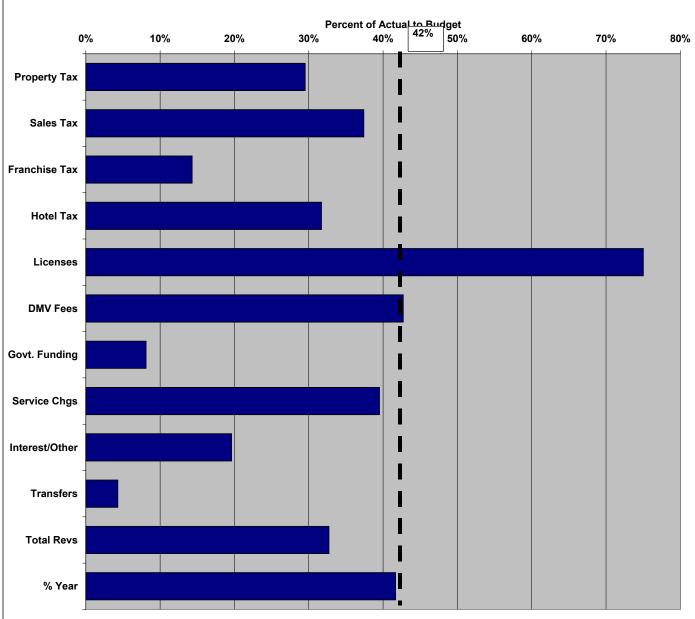
	REVENU	ES	EXPENS	ES	11/30/02
		% OF		% OF	UNRESTRICTED
FUND NAME	ACTUAL	BUDGET	ACTUAL	BUDGET	FUND BALANCE
General Fund	\$5,319,573	33%	\$6,287,435	39%	\$10,031,628
Community Development	1,062,380	50%	1,298,164	46%	1,248,580
RDA	1,448,459	11%	10,832,203	44%	7,442,908
Housing/CDBG	390,971	10%	1,337,876	20%	2,869,003
Sewer Operations	2,365,796	41%	3,296,987	48%	4,450,188
Sewer Other	435,477	28%	708,670	12%	11,685,004
Water	4,267,344	42%	4,331,198	37%	7,110,301
Other Special Revenues 1	453,677	42%	293,018	11%	3,410,740
Capital Projects & Streets Funds	1,797,041	30%	1,630,558	18%	20,680,932
Debt Service Funds	5,385	2%	381,374	210%	363,803
Internal Service	2,443,935	60%	1,904,941	57%	4,246,906
Agency	33,168	1%	1,784,936	60%	4,106,855
TOTAL FOR ALL FUNDS	\$20,023,206	30%	\$34,087,360	39%	\$77,646,848

¹ Includes all Special Revenue Funds except Community Development, CDBG, and Street Funds

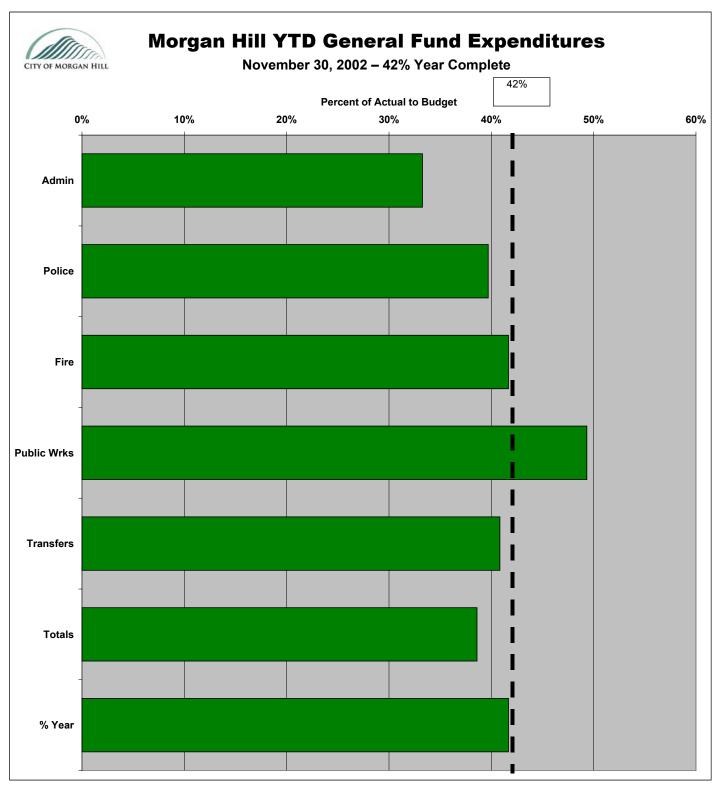


Morgan Hill YTD General Fund Revenues

November 30, 2002 – 42% Year Complete



			% OF	PRIOR YEAR	% CHANGE FROM
REVENUE CATEGORY	BUDGET	ACTUAL	BUDGET	TO DATE	PRIOR YEAR
PROPERTY RELATED TAXES	\$2,228,000	\$658,352	30%	\$668,354	-1%
SALES TAXES	\$5,618,400	\$2,102,625	37%	\$2,203,709	-5%
FRANCHISE FEE	\$965,000	\$138,068	14%	\$139,937	-1%
HOTEL TAX	\$892,000	\$283,007	32%	\$281,480	1%
LICENSES/PERMITS	\$209,450	\$157,069	75%	\$166,735	-6%
MOTOR VEHICLE IN LIEU	\$1,965,000	\$839,101	43%	\$797,031	5%
FUNDING - OTHER GOVERNMENTS	\$228,300	\$18,494	8%	\$140,151	-87%
CHARGES CURRENT SERVICES	\$2,275,326	\$899,324	40%	\$749,246	20%
INTEREST & OTHER REVENUE	\$939,600	\$183,949	20%	\$206,831	-11%
TRANSFERS IN	\$925,332	\$39,584	4%	\$38,333	3%
				•	
TOTALS	\$16,246,408	\$5,319,573	33%	\$5,391,807	-1%



Expenditure Category	Budget	ctual Plus cumbrances	% of Budget	
ADMINISTRATION	5,411,529	1,800,170	33%	
POLICE	6,443,305	2,557,248	40%	
FIRE	3,623,938	1,509,974	42%	
PUBLIC WORKS	879,230	433,729	49%	
TRANSFERS OUT	537,000	219,250	41%	
TOTALS	\$ 16,895,002	\$ 6,520,371	39%	



City of Morgan Hill Fund Activity Summary - Fiscal Year 2002/03 For the Month of November 2002 42% of Year Completed

		Unaudited	Revenues		Expenses		Year to-Date	Ending Fun	d Balance	Cash and In	vestments
Fund		Fund Balance	YTD	% of	YTD	% of	Deficit or				,
No.	Fund	06-30-02	Actual	Budget	Actual	Budget	Carryover	Reserved ¹	Unreserved	Unrestricted	Restricted ²
010	GENERAL FUND	\$11,232,426	\$5,319,573	33%	\$6,287,435	39%	(\$967,862)	\$232,936	\$10,031,628	\$10,595,016	\$4,050
TOTAL G	ENERAL FUND	<u>\$11,232,426</u>	<u>\$5,319,573</u>	<u>33%</u>	<u>\$6,287,435</u>	<u>39%</u>	<u>(\$967,862)</u>	<u>\$232,936</u>	\$10,031,628	<u>\$10,595,016</u>	<u>\$4,050</u>
202	STREET MAINTENANCE	\$1,615,397	\$673,436	37%	\$760,836	56%	(\$87,400)	\$1,080,858	\$447,139	\$1,362,105	\$10,794
204/205	PUBLIC SAFETY/SUPPL. LAW	\$641,108	\$105,608	66%	\$45,224	14%	\$60,384		\$701,492	\$701,492	
206	COMMUNITY DEVELOPMENT	\$1,877,527	\$1,062,380	50%	\$1,298,164	46%	(\$235,784)	\$393,163	\$1,248,580	\$1,712,847	
207	GENERAL PLAN UPDATE	\$110,827	\$50,021	44%	\$4,542	10%	\$45,479	\$12,993	\$143,313	\$156,467	
210	COMMUNITY CENTER	\$754,628	\$107,213	90%			\$107,213		\$861,841	\$861,841	
215 / 216	CDBG	\$566,540	\$14,809	6%	\$1,400	16%	\$13,409	396,489	\$183,460	\$151,270	
220	MUSEUM RENTAL	\$3,807	\$32	15%	\$1,112	36%	(\$1,080)		\$2,727	\$2,728	
225	ASSET SEIZURE	\$56,567	\$497	24%	\$20,000	59%	(\$19,503)		\$37,064	\$37,064	
226	OES/FEMA		·	n/a	` ,		(, , , ,		` ,	, ,	
229	LIGHTING AND LANDSCAPE	\$64,203	\$540	1%	\$65,584	71%	(\$65,044)	\$33,277	(\$34,118)	(\$545)	
232	ENVIRONMENT PROGRAMS	\$465,250	\$132,178	35%	\$107,886	56%	\$24,292	\$105,851	\$383,691	\$491,858	
234	MOBILE HOME PK RENT STAB.	\$53,314	\$6,256	250%	\$5,423	8%	\$833	, , , , , , ,	\$54,147	\$54,147	
235	SENIOR HOUSING	\$236,123	\$2,062	2%	, , ,	8%	\$2,062	\$12,135	\$226,050	\$238,185	
236	HOUSING IN LIEU	\$1,028,510	\$9,033	24%	2,865	8%	\$6,168	, ,	\$1,034,678	\$1,034,677	
240	EMPLOYEE ASSISTANCE	¥ 1,0=0,0 10	\$40,237	50%	40,382	1%	(\$145)		(\$145)	(\$145)	
TOTAL SI	PECIAL REVENUE FUNDS	<u>\$7,473,801</u>	\$2,204,302	<u>42%</u>	\$2,353,418	<u>40%</u>	(\$149,116)	<u>\$2,034,766</u>	<u>\$5,289,919</u>	\$6,803,991	<u>\$10,794</u>
204	DADK DEV IMPACT FUND	CO 074 440	#204 200 l	400/	#CO 404	40/	£420.404	£40.007	#2.054.500 I	П	#2 002 0F2
301	PARK DEV. IMPACT FUND	\$2,871,149	\$201,208	18%	\$69,104	4%	\$132,104	\$48,687	\$2,954,566	CO 770 400	\$3,003,252
302	PARK MAINTENANCE	\$2,692,750	\$121,975	79% 60%	\$41,226	26%	\$80,749	\$2,464	\$2,771,035	\$2,773,498	#0.700.00F
303 304	LOCAL DRAINAGE	\$2,534,182	\$189,724		\$1,041	0%	\$188,683	PEE 740	\$2,722,865	#2 04F CCF	\$2,722,865
	LOCAL DRAINAGE/NON-AB1600	\$3,067,721	\$130,990	94%	\$23,046	20%	\$107,944	\$55,710	\$3,119,955	\$3,015,665	
305 306	OFF-STREET PARKING OPEN SPACE	\$3,886 \$244,803	\$34 \$2,151	22%			\$34 \$2,151	\$7,560	\$3,920 \$239,394	\$3,920	
309	TRAFFIC IMPACT FUND	\$2,870,728	\$2,151	n/a 20%	\$313,949	67%	(\$102,066)	\$7,560	\$2,060,346	\$246,953	\$2,757,467
			. ,				· · · / /				
311 313	POLICE IMPACT FUND	\$1,168,761	\$44,069	68%	\$50,210	5%	(\$6,141)	\$7,560	\$1,155,060		\$1,162,620
313 317	FIRE IMPACT FUND	\$2,515,636 \$22,634,048	\$105,077 \$1,448,459	63% 11%	\$150,595 \$10,832,203	10546% 44%	(\$45,518) (\$9,383,744)	E 907 207	\$2,470,118 \$7,442,908	\$10,989,395	\$2,470,118
	REDEVELOPMENT AGENCY	\$22,634,046	\$376,162	11%	\$1,336,476	21%	(\$960,314)	5,807,397	\$2,685,543	\$2,788,080	
340	HOUSING MORGAN HILL BUS.RANCH I	\$46,679	\$409	22%	\$1,330,470		, , ,	17,195,344	\$47,088		
340 342	MORGAN HILL BUS.RANCH II	\$52,423	\$460	22%		n/a	\$409 \$460		\$52,883	\$47,088 \$52,883	
342 346	PUBLIC FACILITIES NON-AB1600	\$1,033,867	\$47,182	19%			\$47,182		\$1,081,049		
340 347	PUBLIC FACILITIES IMPACT FUND	. , , ,	\$41,935	28%	\$220,296	93%	(\$178,361)	\$854,618	\$25,368	\$1,081,049	\$843,317
348	LIBRARY IMPACT FUND	\$1,058,347 \$368,112		46%	\$220,296	42%	, , , ,	\$004,010			
340 350	UNDERGROUNDING	\$1,135,781	\$16,546 \$9,962	1%	\$168	0%	\$16,459 \$9,794		\$384,571 \$1,145,575	\$1,145,575	\$384,571
	APITAL PROJECT FUNDS	\$65,140,074	\$2,948,226	14%	\$13,038,401	37%	(\$10,090,175)	\$24,687,656	\$30,362,244	\$22,144,106	\$13,344,210
101712 0	II II/LI NGOLOT FONDO	<u> </u>	<u> </u>	1470	<u> </u>	<u>01 70</u>	1410,000,1107	<u> </u>	400,002,277	<u> </u>	<u> </u>
527	HIDDEN CREEK			n/a							
533	DUNNE/CONDIT			n/a							
536	ENCINO HILLS	\$65,771	\$576	14%	\$500	n/a	\$76		\$65,847	\$65,846	
539	MORGAN HILL BUS. PARK	\$11,486	\$99	1%	\$562	n/a	(\$463)		\$11,023	\$11,023	
542	SUTTER BUSINESS PARK	\$24,079	\$211	3%		n/a	\$211		\$24,290	\$24,290	
545	COCHRANE BUSINESS PARK	\$606,826	\$4,228	3%	\$377,113	271%	(\$372,885)		\$233,941	\$52,991	\$180,950
551	JOLEEN WAY	\$31,630	\$271	1%	\$3,199	8%	(\$2,928)		\$28,702	\$11,453	\$17,249
TOTAL D	EBT SERVICE FUNDS	\$739,792	<u>\$5,385</u>	<u>2%</u>	<u>\$381,374</u>	<u>210%</u>	(\$375,989)		\$363,803	<u>\$165,603</u>	<u>\$198,199</u>



City of Morgan Hill Fund Activity Summary - Fiscal Year 2002/03 For the Month of November 2002 42% of Year Completed

		Unaudited	Revenues	1270 01 1	Expenses		Year to-Date	Ending Fur	nd Balance	Cash and In	vestments
Fund		Fund Balance	YTD	% of	YTD	% of	Deficit or				
No.	Fund	06-30-02	Actual	Budget	Actual	Budget	Carryover	Reserved ¹	Unreserved	Unrestricted	Restricted ²
	•					•					
640	SEWER OPERATIONS	\$17,312,471	\$2,365,796	41%	\$3,296,987	\$0	(\$931,191)	\$11,931,092	\$4,450,188	\$4,086,329	\$1,907,612
641	SEWER IMPACT FUND	\$7,244,335	\$248,022	19%	\$353,975	8%	(\$105,953)	1,691,053	\$5,447,329	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	\$5,668,262
642	SEWER RATE STABILIZATION	\$3,469,485	\$30,432	25%	\$912	42%	\$29,520	, ,	\$3,499,005	\$3,499,004	
643	SEWER-CAPITAL PROJECTS	\$9,417,751	\$157,023	26%	\$353,783	34%	(\$196,760)	6,482,321	\$2,738,670	\$3,461,339	
650	WATER OPERATIONS	\$23,155,862	\$3,731,674	58%	\$3,036,606		\$695,068	\$20,192,201	\$3,658,729	\$3,646,377	\$389,957
651	WATER IMPACT FUND	\$2,757,348	\$192,388	8%	\$544,134	37%	(\$351,746)	2,577,081	(\$171,480)		\$435,295
652	WATER RATE STABILIZATION	\$838,989	\$7,359	22%	\$212	42%	\$7,147		\$846,136	\$846,136	
653	WATER -CAPITAL PROJECT	\$7,869,151	\$335,923	28%	\$750,246	38%	(\$414,323)	4,677,912	\$2,776,916	\$3,780,454	
TOTAL E	NTERPRISE FUNDS	<u>\$72,065,392</u>	<u>\$7,068,617</u>	<u>39%</u>	<u>\$8,336,855</u>	<u>35%</u>	(\$1,268,238)	<u>\$47,551,660</u>	<u>\$23,245,493</u>	<u>\$19,319,639</u>	<u>\$8,401,126</u>
700	DATA DROCECCING	¢400.405	¢450,000 l	42%	#004.7FC	53%	(#CF 020)	405.754	¢407.740 II	\$317,425	
730	DATA PROCESSING	\$429,425	\$158,828		\$224,756		(\$65,928)	165,751	\$197,746		
740	BUILDING MAINTENANCE	\$155,445	\$348,839	42%	\$208,855	36%	\$139,984	33,195	\$262,234	\$307,628	
745	CIP ADMINISTRATION	\$83,108	\$521,035	40%	\$521,035	50%	(040,400)	177,435	(\$94,327)	\$113,066	
760	UNEMPLOYMENT INS.	\$77,693	0400 704	n/a	\$18,402	74%	(\$18,402)	044.005	\$59,291	\$59,291	000.000
770	WORKER'S COMP.	\$42,756	\$188,701	47%	\$288,555	61%	(\$99,854)	\$41,325	(\$98,423)	\$616,064	\$30,000
790	EQUIPMENT REPLACEMENT	\$3,279,710	\$228,737	45%	\$13,311	10%	\$215,426	888,115	\$2,607,021	\$2,611,794	
793	CORPORATION YARD	\$412,656	\$852,279	366%	\$604,052	199%	\$248,227	300,816	\$360,067	\$317,740	
795	GEN'L LIABILITY INS.	\$833,756	\$145,516	38%	\$25,975	8%	\$119,541		\$953,297	\$1,301,668	
TOTAL IN	ITERNAL SERVICE FUNDS	<u>\$5,314,549</u>	<u>\$2,443,935</u>	<u>60%</u>	<u>\$1,904,941</u>	<u>57%</u>	<u>\$538,994</u>		<u>\$4,246,906</u>	<u>\$5,644,676</u>	<u>\$30,000</u>
820	SPECIAL DEPOSITS								1	\$810,660	
841	M.H. BUS.RANCH A.D.	\$1,620,366	\$12,386	9%	\$506,327	69%	(\$493,941)		\$1,126,425	\$548,100	\$578,325
842	M.H. BUS. RANCH II A.D.	\$270,163	\$2,044	2%	\$105,282	117%	(\$103,238)		\$166,925	\$107,412	\$59,513
843	M.H. BUS. RANCH 1998	\$1,685,884	\$8,166	13%	\$580,387	66%	(\$572,221)		\$1,113,663	\$226,537	\$887,127
845	MADRONE BP-TAX EXEMPT	\$1,696,402	(\$27,808)		\$493,841	46%	(\$521,649)		\$1,174,753	\$96,506	\$1,078,248
846	MADRONE BP-TAXABLE	\$246,281	\$35,430	1%	\$98,263	53%	(\$62,833)		\$183,447	\$22,674	\$161,120
848	TENNANT AVE.BUS.PK A.D.	\$319,288	\$2,772	13%	\$836	n/a	\$1,936		\$321,224	\$321,224	
881	POLICE DONATION TRUST FUND	\$20,240	\$178	13%	,	n/a	\$178		\$20,418	,	\$20,417
TOTAL A	GENCY FUNDS	<u>\$5,858,624</u>	<u>\$33,168</u>	<u>1%</u>	<u>\$1,784,936</u>	<u>60%</u>	<u>(\$1,751,768)</u>		<u>\$4,106,855</u>	<u>\$2,133,113</u>	<u>\$2,784,750</u>
SUMMAR	RY BY FUND TYPE										
	GENERAL FUND GROUP	\$11,232,426	\$5,319,573	33%	\$6,287,435	39%	(\$967,862)	\$232,936	\$10,031,628	\$10,595,016	\$4,050
	SPECIAL REVENUE GROUP	\$7,473,801	\$2,204,302	42%	\$2,353,418	40%	(\$149,116)	\$2,034,766	\$5,289,919	\$6,803,991	\$10,794
	DEBT SERVICE GROUP	\$739,792	\$5,385	2%	\$381,374	210%	(\$375,989)	Ψ2,004,700	\$363,803	\$165,603	\$198,199
	CAPITAL PROJECTS GROUP	\$65,140,074	\$2,948,226	14%	\$13,038,401	37%	(\$10,090,175)	\$24,687,656	\$30,362,244	\$22,144,106	\$13,344,209
	ENTERPRISE GROUP	\$72,065,392	\$7,068,617	39%	\$8,336,855	35%	(\$1,268,238)	\$47,551,660	\$23,245,493	\$19,319,639	\$8,401,126
	INTERNAL SERVICE GROUP	\$5,314,549	\$2,443,935	60%	\$1,904,941	57%	\$538.994	Ψ-1,001,000	\$4,246,906	\$5.644.676	\$30,000
	AGENCY GROUP	\$5,858,624	\$33,168	1%	\$1,784,936	60%	(\$1,751,768)		\$4,106,855	\$2,133,113	\$2,784,751
	TOTAL ALL GROUPS	\$167.824.658	\$20.023.206	30%	\$34,087,360	39%	(\$14,064,154)	\$74,507,018	\$77,646,848	\$66,806,144	\$24,773,129
		<u>₩107,024,030</u>	<u>\$20,023,206</u>	30 /6	φ34,007,300	33/6	<u>(ψ14,004,134)</u>	ψ14,501,010	<u>\$7.7,040,040</u>		Ψ ∠4 ,773,129
	TOTAL CASH AND INVESTMENTS									<u>\$91,579,273</u>	

For Enterprise Funds - Unrestricted fund balance = Fund balance net of fixed assets and long-term liabilities.

¹ Amount restricted for encumbrances, fixed asset replacement, long-term receivables, and bond reserves.

² Amount restricted for debt service payments and AB1600 capital expansion projects as detailed in the City's five year CIP Plan and bond agreements.



FUND			CURRENT			INCR (DECR)	
REVENUE	ADOPTED	AMENDED	YTD	%	PRIOR	FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	OF BUDGE
010 GENERAL FUND							
TAXES							
Property Taxes - Secured/Unsecured/Prior	1,883,000	1,883,000	547,262	29%	561,980	(14,718)	-3%
Supplemental Roll	125,000	125,000	19,786	16%	43,113	(23,327)	-54%
Sales Tax	5,330,000	5,330,000	2,006,247	38%	2,109,356	(103,109)	-5%
Public Safety Sales Tax	288,400	288,400	96,378	33%	94,353	2,025	2%
Transient Occupancy Taxes	892,000	892,000	283,007	32%	281,480	1,527	1%
Franchise (Refuse ,Cable ,PG&E)	965,000	965,000	138,068	14%	139,937	(1,869)	-1%
Property Transfer Tax	220,000	220,000	91,304	<u>42%</u>	63,261	28,043	44%
TOTAL TAXES	9,703,400	9,703,400	3,182,052	33%	3,293,480	(111,428)	-3%
ICENSES/PERMITS							
Business License	164,000	164,000	140,870	86%	149,139	(8,269)	-6%
Other Permits	45,450	45,450	16,199	<u>36%</u>	17,596	(1,397)	<u>-8%</u>
TOTAL LICENSES/PERMITS	209,450	209,450	157,069	75%	166,735	(9,666)	-6%
FINES AND PENALTIES							
Parking Enforcement	15,000	15,000	2,859	19%	4,710	(1,851)	-39%
City Code Enforcement	82,000	82,000	18,408	22%	38,301	(19,893)	-52%
Business tax late fee/other fines	-	-	1,401	<u>n/a</u>	<u> </u>	1,401	<u>n/a</u>
TOTAL FINES AND PENALTIES	97,000	97,000	22,668	23%	43,011	(20,343)	-47%
OTHER AGENCIES							
Motor Vehicle in-Lieu	1,965,000	1,965,000	839,101	43%	797,031	42,070	5%
Other Revenue - Other Agencies	228,300	228,300	18,494	<u>8%</u>	140,151	(121,657)	<u>-87%</u>
TOTAL OTHER AGENCIES	2,193,300	2,193,300	857,595	39%	937,182	(79,587)	-8%
CHARGES CURRENT SERVICES							
False Alarm Charge	24,000	24,000	9,998	42%		9,998	n/a
Business License Application Review	18,000	18,000	9,760	54%	9,052	708	8%
Recreation Classes	231,741	231,741	30,283	13%	10,924	19,359	177%
General Administration Overhead	1,855,937	1,855,937	773,306	42%			
Other Charges Current Services	145,648	145,648	75,977	<u>52%</u>	729,270	(653,293)	<u>-90%</u>
TOTAL CURRENT SERVICES	2,275,326	2,275,326	899,324	40%	749,246	(623,228)	
OTHER REVENUE							
Use of money/property	724,400	724,400	146,661	20%	145,565	1,096	1%
Other revenues	118,200	118,200	14,620	<u>12%</u>	18,255	(3,635)	<u>-20%</u>
TOTAL OTHER REVENUE	842,600	842,600	161,281	19%	163,820	(2,539)	-2%
TRANSFERS IN							
Park Maintenance	100,000	100,000	25,000	25%	25,000	-	n/a
Sewer Enterprise	17,500	17,500	7,292	42%	6,250	1,042	17%
Water Enterprise	17,500	17,500	7,292	42%	6,250	1,042	17%
Public Safety	270,000	270,000	-	n/a		-	n/a
Other Funds	520,332	520,332		<u>n/a</u>	833	(833)	<u>-100%</u>
TOTAL TRANSFERS IN	925,332	925,332	39,584	4%	38,333	1,251	3%
TOTAL GENERAL FUND	16,246,408	16,246,408	5,319,573	33%	5,391,807	(72,234)	-1%



FUND REVENUE	ADOPTED	AMENDED	CURRENT YTD	%	PRIOR	INCR (DECR) FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	OF BUDGET
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE							
Gas Tax 2105 - 2107.5	658,000	658,000	243,338	37%	305,458	(62,120)	-20%
Measure A & B	-	-	-	n/a	-	-	n/a
Tea 21	_	-	-	n/a		-	n/a
Transfers In	977,000	977,000	344,250	35%	280,000	64,250	23%
Project Reimbursement	-	-	-	n/a	-	-	n/a
Interest / Other Revenue/Other Charges	172,500	172,500	85,848	<u>50%</u>	36,084	49,764	<u>138%</u>
202 STREET MAINTENANCE	1,807,500	1,807,500	673,436	37%	621,542	51,894	8%
204/205 PUBLIC SAFETY TRUST							
Interest Income	30,400	30,400	5,608	18%	8,849	(3,241)	-37%
Police Grant/SLEF	100,000	100,000	100,000	100%	100,000	-	n/a
PD Block Grant			-	n/a	-	-	n/a
CA Law Enforcement Equip.Grant	_	_	_	n/a	40,663	(40,663)	-100%
Federal Police Grant (COPS)	30,000	30,000	_	n/a	-	-	n/a
Transfers In	-	-	_	<u>n/a</u>	_	_	n/a
204/205 PUBLIC SAFETY TRUST	160,400	160,400	105,608	66%	149,512	(43,904)	-29%
206 COMMUNITY DEVELOPMENT							
Building Fees	1,134,000	1,134,000	500,883	44%	433,693	67,190	15%
Planning Fees	438,147	438,147	257,570	59%	119,640	137,930	115%
Engineering Fees	480,000	480,000	286,628	60%	284,308	2,320	1%
Other Revenue/Current Charges	66,276	66,276	17,299	26%	29,813	(12,514)	-42%
Transfers	_	-	-	n/a	19,523	(19,523)	-100%
206 COMMUNITY DEVELOPMENT	2,118,423	2,118,423	1,062,380	50%	886,977	175,403	20%
207 GENERAL PLAN UPDATE	113,582	113,582	50,021	44%	15,004	35,017	233%
215 and 216 HCD BLOCK GRANT							
HCD allocation	181,306	181,306	-	n/a	-	-	n/a
Interest Income/Other Revenue	50,000	50,000	14,809	30%	3,061	11,748	384%
Transfers	<u> </u>	<u>-</u>	<u>-</u>	<u>n/a</u>			<u>n/a</u>
215 and 216 HCD BLOCK GRANT	231,306	231,306	14,809	6%	3,061	11,748	384%
210 COMMUNITY CENTER	119,041	119,041	107,213	90%	206,787	(99,574)	-48%
220 MUSEUM RENTAL	212	212	32	15%	64	(32)	-50%
225 ASSET SEIZURE	2,057	2,057	497	24%	387	110	28%
226 OES/FEMA	-	-	-	n/a	5,021	(5,021)	-100%
229 LIGHTING AND LANDSCAPE	107,429	107,429	540	1%	1,786	(1,246)	-70%
232 ENVIRONMENTAL PROGRAMS	380,755	380,755	132,178	35%	86,564	45,614	53%
234 MOBILE HOME PARK RENT STAB.	2,507	2,507	6,256	250%	25,491	(19,235)	-75%
235 SENIOR HOUSING	85,541	85,541	2,062	2%	11,746	(9,684)	-82%
236 HOUSING MITIGATION	37,500	37,500	9,033	24%	-	9,033	n/a
240 EMPLOYEE ASSISTANCE	80,786	80,786	40,237	50%	-	40,237	n/a
TOTAL SPECIAL REVENUE FUNDS	5,247,039	5,247,039	2,204,302	42%	2,013,942	190,360	9%



FUND			CURRENT			INCR (DECR)	
REVENUE	ADOPTED	AMENDED	YTD	%	PRIOR	FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	OF BUDGE
CAPITAL PROJECTS FUNDS	BODGET	BODOLI	AOTOAL	OI BODGET	110	110	OI BOBOL
301 PARK DEVELOPMENT	1,129,006	1,129,006	201,208	18%	105,390	95,818	91%
302 PARK MAINTENANCE	155,300	155,300	121,975	79%	85,749	36,226	42%
303 LOCAL DRAINAGE	315,223	315,223	189,724	60%	160,710	29,014	18%
304 LOCAL DRAINAGE/NON AB1600	139,949	139,949	130,990	94%	55,605	75,385	136%
305 OFF-STREET PARKING	152	152	34	22%	38	(4)	
306 OPEN SPACE			2,151	n/a		2,151	n/a
309 TRAFFIC MITIGATION	1,080,268	1,080,268	211,883	20%	823,408	(611,525)	
311 POLICE MITIGATION	64,919	64,919	44,069	68%	19,488	24,581	126%
313 FIRE MITIGATION	166,935	166,935	105,077	63%	51,679	53,398	103%
317 RDA CAPITAL PROJECTS							
Property Taxes & Supplemental Roll	12,084,000	12,084,000	1,308,381	11%	1,575,186	(266,805)	-17%
Development Agreements	-	-	-	n/a	-	-	n/a
Interest Income, Rents	595,853	595,853	136,529	23%	277,637	(141,108)	-51%
Other Agencies/Current Charges	152,500	152,500	3,549	<u>2%</u>	3,403	146	<u>4%</u>
317 RDA CAPITAL PROJECTS	12,832,353	12,832,353	1,448,459	11%	1,856,226	(407,767)	-22%
27/328 RDA L/M HOUSING							
Property Taxes & Supplemental Roll	3,438,000	3,438,000	327,892		393,796	(65,904)	
Interest Income, Rent	100,000	100,000	47,730	48%	66,696	(18,966)	
<u>Other</u>	<u>590</u>	<u>590</u>	540	<u>92%</u>	9,650	(9,110)	
327/328 RDA L/M HOUSING	3,538,590	3,538,590	376,162	11%	470,142	(93,980)	-20%
346 PUBLIC FACILITIES NON-AB1600	254,300	254,300	47,182	19%	12,836	34,346	268%
347 PUBLIC FACILITIES	148,617	148,617	41,935	28%	33,232	8,703	26%
348 LIBRARY	36,299	36,299	16,546	46%	10,418	6,128	59%
350 UNDERGROUNDING	692,745	692,745	9,962	1%	116,385	(106,423)	
340 MORGAN HILL BUS.RANCH CIP I	1,825	1,825	409	22%	460	(51)	-11%
342 MORGAN HILL BUS.RANCH CIP II	2,052	2,052	460	22%	518	(58)	-11%
TOTAL CAPITAL PROJECTS FUNDS	20,558,533	20,558,533	2,948,226	14%	3,802,284	(854,058)	-22%
DEBT SERVICE FUNDS							
527 HIDDEN CREEK	_	_	-	n/a	_	_	n/a
333 DUNNE AVE. / CONDIT ROAD	-	-	_	n/a	-	-	n/a
36 ENCINO HILLS	4,209	4,209	576	14%	1,231	(655)	-53%
339 MORGAN HILL BUSINESS PARK	7,707	7,707	99	1%	2,862	(2,763)	
342 SUTTER BUSINESS PARK	6,215	6,215	211	3%	2,086	(1,875)	
545 COCHRANE BUSINESS PARK	158,673	158,673	4,228	3%	6,873	(2,645)	
551 JOLEEN WAY	43,068	43,068	271	1%	612	(341)	
TOTAL DEBT SERVICE FUNDS	219,872	219,872	5,385	2%	13,664	(8,279)	-61%



FUND			CURRENT			INCR (DECR)	
REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	% OF BUDGET	PRIOR YTD	FROM PRIOR YTD	% OF BUDGE
ENTERPRISE FUNDS	BUDGET	BUDGET	ACTUAL	OF BUDGET	טוז	TID	OF BUDGE
ENTERFRISE FUNDS							
640 SEWER OPERATION							
Sewer Service Fees	5,389,650	5,389,650	2,269,976	42%	2,195,762	74,214	3%
Interest Income	295,119	295,119	37,541	13%	48,203	(10,662)	-22%
Sewer Rate Stabilization	-	-	-	n/a		-	n/a
Other Revenue/Current Charges	113,900	113,900	58,279	<u>51%</u>	89,496	(31,217)	<u>-35%</u>
640 SEWER OPERATION	5,798,669	5,798,669	2,365,796	41%	2,333,461	32,335	1%
641 SEWER EXPANSION							
Interest Income	176,887	176,887	52,851	30%	55,484	(2,633)	-5%
Connection Fees	1,125,000	1,125,000	194,841	17%	830,921	(636,080)	
Other	-,,	-	330	n/a	541	(211)	
641 SEWER EXPANSION	1,301,887	1,301,887	248,022	19%	886,946	(638,924)	
642 SEWER RATE STABILIZATION	123,378	123,378	30,432	25%	31,120	(688)	-2%
643 SEWER-CAPITAL PROJECT	608,429	608,429	157,023	26%	37,492	119,531	319%
TOTAL SEWER FUNDS	7,832,363	7,832,363	2,801,273	36%	3,289,019	(487,746)	-15%
TOTAL SEWER FUNDS	7,032,303	7,032,303	2,001,213	30%	3,209,019	(407,740)	-13%
650 WATER OPERATION							
Water Sales	5,855,915	5,855,915	3,421,190	58%	3,294,989	126,201	4%
Meter Install & Service	48,000	48,000	27,185	57%	25,046	2,139	9%
Transfers-In, and Interest Income	384,673	384,673	111,949	29%	134,488	(22,539)	
Other Revenue/Current Charges	171,770	171,770	171,350	100%	116,380	54,970	47%
650 WATER OPERATION	6,460,358	6,460,358	3,731,674	58%	3,570,903	160,771	5%
651 WATER EXPANSION							
Interest Income/Other Revenue/Transfer	480,602	1,980,602	125,584	6%	15,326	110,258	719%
Water Connection Fees	387,000	387,000	66,804	<u>17%</u>	59,235	7,569	<u>13%</u>
651 WATER EXPANSION	867,602	2,367,602	192,388	8%	74,561	117,827	158%
652 Water Rate Stabilization	32,844	32,844	7,359	22%	8,286	(927)	-11%
653 Water Capital Project	1,207,662	1,207,662	335,923	28%	26,915	309,008	1148%
TOTAL WATER FUNDS	8,568,466	10,068,466	4,267,344	42%	3,680,665	586,679	16%
TOTAL ENTERPRISE FUNDS	16,400,829	17,900,829	7,068,617	39%	6,969,684	98,933	1%
INTERNAL SERVICE FUNDS							
720 INFORMATION SERVICES	204 400	204 400	450 020	420/	444.002	44745	400/
730 INFORMATION SERVICES	381,190	381,190	158,828	42%	144,083	14,745	10%
740 BUILDING MAINTENANCE SERVICES	837,139	837,139	348,839	42%	345,607	3,232	1%
745 CIP ADMINISTRATION	1,308,226	1,308,226	521,035	40%	390,290	130,745	33%
760 UNEMPLOYMENT INSURANCE	970	970	400 701	n/a	-	-	n/a
770 WORKERS COMPENSATION	399,907	399,907	188,701	47%	99,330	89,371	90%
790 EQUIPMENT REPLACEMENT	511,371	511,371	228,737	45%	192,274	36,463	19%
793 CORPORATION YARD COMMISSION	233,033	233,033	852,279	366%	126,674	725,605	573%
795 GENERAL LIABILITY INSURANCE	387,806	387,806	145,516	38%	167,257	(21,741)	-13%
TOTAL INTERNAL SERVICE FUNDS	4,059,642	4,059,642	2,443,935	60%	1,465,515	978,420	67%



FUND			CURRENT			INCR (DECR)	
REVENUE	ADOPTED	AMENDED	YTD	%	PRIOR	FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	OF BUDGET
AGENCY FUNDS							
841 M.H. BUS.RANCH A.D. I	135,458	135,458	12,386	9%	19,684	(7,298)	-37%
842 M.H. BUS.RANCH A.D. II	99,679	99,679	2,044	2%	3,098	(1,054)	-34%
843 M.H. BUS.RANCH 1998	939,155	939,155	8,166	1%	16,543	(8,377)	-51%
845 MADRONE BP-TAX EXEMPT	846,721	846,721	(27,808)	-3%	68,152	(95,960)	-141%
846 MADRONE BP-TAXABLE	184,234	184,234	35,430	19%	646	34,784	5385%
848 TENNANT AVE.BUS.PK A.D.	332,553	332,553	2,772	1%	132,355	(129,583)	-98%
881 POLICE DONATION TRUST FUND	1,371	1,371	178	13%	268	(90)	-34%
TOTAL AGENCY FUNDS	2,539,171	2,539,171	33,168	1%	240,746	(207,578)	-86%
TOTAL FOR ALL FUNDS	65,271,494	66,771,494	20,023,206	30%	19,897,642	(721,264)	-4%



AB1600 DEVELOPMENT IMPACT FEE REPORT FOR FISCAL YEAR 2001/02

Agenda Item # 2
Prepared By:
Finance Director
Submitted By:
City Manager

RECOMMENDED ACTION:

Accept and file the AB1600 Development Impact Fee Report for the 2001/02 fiscal year.

EXECUTIVE SUMMARY:

In 1987 the State passed Assembly Bill No. 1600, adding Sections 66000 et seq. to the Government Code. This law requires that any city that imposes development impact fees must report certain information each year. In accordance with this requirement, staff annually reports to the City Council, for each development impact fee collected, (a) the fee description (b) the amount of the fee, (c) the beginning and ending balances of each fund for which impact funds are collected, (d) the amount of fees collected and the corresponding interest earned, (e) the identification of each public improvement on which fees were expended and the amounts expended on each such improvement, including the total percentage of the cost of the public improvement, (f) a description of any interfund transfer or loan made from each impact fee fund, and (g) any refunds. This information is provided in Exhibit A.

FISCAL IMPACT: N/A

CITY OF MORGAN HILL PARKS IMPACT FEES REVENUE & EXPENDITURES FY 01/02 (Audited)

	Project	FY 01/02		
FUND 301	Number	AB 1600		
REVENUE				
PARK IMPACT FEES		\$263,413		
INTEREST		\$103,476		
SANTA CLARA CO TDA REIMB/BIKEWAYS MASTER PLAN		\$32,859		
TOTAL REVENUES		\$399,748		
			% Funded from	Total Project
REVENUE EXPENDED FOR			Parks Impact Fees	Expenditures
BUTTERFIELD LINEAR PARK	106096	\$13,656	100.00%	
SKATE PARK	109097	\$171	100.00%	
COMMUNITY PARK MASTER PLAN	113099	\$346	100.00%	
BIKE PATHWAY MASTER PLAN	116000	\$3,480	100.00%	
LITTLE LLAGAS CREEK	117001	\$17,361	100.00%	
PARADISE PARK PLAY EQUIPMENT	118001	\$4,065	100.00%	
INTERIM BMX PARK	121001	\$26,701	100.00%	
SAN PEDRO PONDS NAT PK	122001	\$335	100.00%	
ADA PARK UPGRADES		\$54,877		
TOTAL EXPENDITURES		\$120,992		
REVENUE LESS EXPENDITURES		\$278,756		
Fund Balance as of July 1, 2001		\$2,592,393		
FUND BALANCE AS OF JUNE 30, 2002		\$2,871,149		

CITY OF MORGAN HILL STORM DRAINAGE IMPACT FEES REVENUE AND EXPENDITURES FY 01/02 (Audited)

	Project	FY 01/02		
FUND 303	Number	AB 1600		
REVENUE				
STORM DRAINAGE IMPACT FEES		\$247,495		
INTEREST		\$90,078		
TOTAL REVENUE		\$337,573		
			% Funded from Storm	Total Project
REVENUE EXPENDED FOR			Drain Impact Fees	Expenditures
STORM DRAIN DESIGN MNUL	402093	\$1,375	100.00%	
STORM DRAIN MASTER PLAN	412096	\$38,806	100.00%	
BUTTERFIELD DETENTION	420001	\$16,750	100.00%	
REFUND TO DEVELOPER		\$11,500		
TOTAL EXPENDITURES		\$68,430		
REVENUE LESS EXPENDITURES		\$269,143		
Fund Balance as of July 1, 2001		\$2,265,039		
FUND BALANCE AS OF JUNE 30, 2002		\$2,534,182		

CITY OF MORGAN HILL TRAFFIC IMPACT FEES REVENUE AND EXPENDITURES FY 01/02 (Audited)

	Project	FY 01/02		
FUND 309	Number	AB 1600		
REVENUE		•		
TRAFFIC IMPACT FEES		\$1,287,012		
INTEREST		\$90,028		
PENALTIES		\$1,608		
TOTAL REVENUE		\$1,378,648		
			% Funded from	Total Project
	ll .	Ш	, , - , - , - , - , - , - , - , - , - ,	
REVENUE EXPENDED FOR			Traffic Impact Fees	Expenditures
PLN LN MJR STS - STA TERS	501B93	¢500	100%	
		\$588		
BUTTERFIELD/MADRONE	501C02	\$2,934	1	
BUTTERFIELD/S TENNANT	501D02	\$499	100%	
NEW SIGNAL CONSTRUCTION	502093	\$1,020	68.00%	\$1,500
HILL/DUNNE TRAFFIC STOP/SIGNAL	502D97	\$4,547	100.00%	
TENNANT/101 SIGNAL	502H01	\$34,585	68.68%	\$50,354
DIANA/BUTTERFIELD SIGNAL	502J01	\$20,217	86.20%	\$23,454
TENNANT AVE RECONSTRUCTION	507093	\$762	100.00%	
TENNANT AVENUE	507B99	\$65,687	100.00%	
DUNNE/101 STUDY	516A94	\$21,831	7.75%	\$281,665
CHIP SEAL STUDY	519096	\$521	56.02%	\$930
REFUND TO DEVELOPERS	AGRMNT	\$273,753		
TOTAL EXPENDITURES		\$426,944		
REVENUE LESS EXPENDITURES		\$951,704		
Fund Balance as of July 1, 2001		\$1,919,023		
FUND BALANCE AS OF JUNE 30, 2002		\$2,870,727		

CITY OF MORGAN HILL POLICE IMPACT FEES REVENUE & EXPENDITURES FY 01/02

			_	
	Project	FY 01/02		
FUND 311	Number	AB 1600		
REVENUE				
POLICE IMPACT FEES		\$22,081		
INTEREST		\$43,216		
TOTAL REVENUE		\$65,297		
			% Funded by	Total Project
REVENUE EXPENDED FOR			Police Impact Fees	Expenditures
POLICE FACILITY EXPANSION	228000	\$8,405	100.00%	
CAD COM/RADIO FREQUENCY STUDY		\$7,563		
TOTAL EXPENDITURES		\$15,968		
REVENUE LESS EXPENDITURES		\$49,329		
Fund Balance as of July 1, 2001		\$1,119,432		

CITY OF MORGAN HILL FIRE IMPACT FEES REVENUE & EXPENDITURES FY 01/02 (Audited)

	11	ı	7	
	Project	01/02]	
F U N D 313	Number	AB 1600		
REVENUE				
FIRE IMPACT FEES		\$89,457		
INTEREST		\$92,289		
TOTAL REVENUE		\$181,746		
			% Funded by	Total Project
REVENUE EXPENDED FOR			Fire Impact Fees	Expenditures
REVENUE EXPENDED FOR FIRE/EMERGENCY MEDICAL SERVICES PLAN		\$50,296	Fire Impact Fees	Expenditures
		\$50,296	-	Expenditures
		\$50,296 \$50,296	-	Expenditures
FIRE/EMERGENCY MEDICAL SERVICES PLAN			-	Expenditures
FIRE/EMERGENCY MEDICAL SERVICES PLAN TOTAL EXPENDITURES		\$50,296	-	Expenditures

CITY OF MORGAN HILL PUBLIC FACILITIES IMPACT FEES REVENUE & EXPENDITURES FY 01/02 (Audited)

			7	
	Project	FY 01/02		
FUND 347	Number	AB 1600		
REVENUE				
PUBLIC FACILITIES IMPACT FEE		\$43,040	1	
INTEREST		\$54,869		
OTHER - PLANS & SPECS		\$143		
			1	
TOTAL REVENUE		\$98,052		
			% Funded from Public	Total Project
REVENUE EXPENDED FOR			Facilities Impact Fees	Expenditures
CITY CORP YARD EXPANSION	205093	\$117,547	100.00%	
CITY HALL EXPANSION	222000	\$52,230	100.00%	
TOTAL EXPENDITURES		\$169 , 777		
REVENUE LESS EXPENDITURES		-\$71,725		
FUND BALANCE JULY 1, 2001		\$506,184]	
FUND BALANCE JUNE 30, 2002		\$434,459		

CITY OF MORGAN HILL LIBRARY IMPACT FEES REVENUE & EXPENDITURES FY 01/02 (Audited)

	Project	FY 01/02		
FUND 348	Number	AB 1600		
LIBRARY IMPACT FEES		\$23,694		
INTEREST		\$13,238		
TOTAL REVENUE		\$36,932		
			% Funded from Library	Total Project
REVENUE EXPENDED FOR			Impact Fees	Expenditures
REVENUE EXPENDED FOR LIBRARY		\$192	•	Expenditures \$305,410
		\$192 \$192	0.06%	<u>-</u>
LIBRARY			0.06%	<u>-</u>
LIBRARY TOTAL EXPENDITURES	01	\$192	0.06%	<u>-</u>

CITY OF MORGAN HILL SEWER IMPACT FEES REVENUE AND EXPENSES FY 01/02 (Audited)

	Project	FY 01/02		
	_			
FUND 641	Number	AB 1600		
REVENUE				
SEWER IMPACT FEES		\$1,532,237		
INTEREST		\$224,002		
PENALTIES		\$792		
TOTAL REVENUE		\$1,757,031		
			% Funded by	Total Project
REVENUE EXPENDED FOR			Sewer Impact Fees	Expenses
SEWER PLANT IMPROVEMENT	303093	\$559,340	100.00%	
SEWER BOND DEBT SERVICE FOR SEWER PLANT IMPROVEMENT	1	\$460,687		
TOTAL EXPENSES		\$1,020,027		
REVENUE LESS EXPENSES		\$737,004		
REVENUE LESS EXPENSES Available Fund Balance as of July 1, 2001		\$737,004 \$4,945,831		

CITY OF MORGAN HILL WATER IMPACT FEES REVENUE AND EXPENSES FY 01/02 (Audited)

	T .	II .	1	
	Project	FY 01/02		
FUND 651	Number	AB1600		
REVENUE				
			1	
CONNECTION FEES		\$204,296		
INTEREST		\$39,082		
TOTAL REVENUE		\$243,378		
				Total Project
REVENUE EXPENDED FOR			Water Impact Fees	Expenses
NEW WELL PROPERTY/CONSTRUCTION	601093	\$635	38.74%	\$1,639
NORDSTROM PARK WATER WELL	601D99	\$1,311	100.00%	
MAIN STREET WATER WELL	601E00	\$5,947	18.96%	\$31,369
NORDSTROM /DIANA PUMP	601F00	\$956	100.00%	
PEET WELL	601G01	\$9,082	93.08%	\$9,757
MAIN AVE WELL DRILLING	601H02	\$11,852	99.29%	\$11,937
EMERGENCY SAN PEDRO WELL	601I02	\$106,216	100.00%	
EDMUNDSON WATER TANK DESIGN	602A96	\$12,579	5.00%	\$251,674
BOYS RANCH RESERVOIR #3	602C01	\$79,477	30.71%	\$258,789
BURNETT/BOYS RANCH WTLN	603D 01	\$668,380	99.43%	\$672,234
NEW WATER MAINS	603093	\$6,255	100.00%	
POLYBUT SERV REPL	615095	\$40,262	11.70%	\$344,108
WATER MASTER PLAN	618099	\$1,436	1.93%	\$74,350
TOTAL EXPENDITURES		\$944,388		
REVENUE LESS EXPENDITURES		-\$701,010		
AVAILABLE FUND BALANCE JULY 1, 2001		\$1,488,052		
AVAILABLE FUND BALANCE AS OF JUNE 30,	2002	\$787,042		



GROUND LANDSCAPE MAINTENANCE SERVICES FOR THE COMMUNITY AND CULTURAL CENTER

RECOMMENDED ACTION(S): Authorize the City Manager to execute the attached contract with Flora Terra Landscape Maintenance for ground landscape services for the Community & Cultural Center, Gavilan College, and Morgan Hill Playhouse in the amount of \$37,543.62

Agenda Item # 3	
Prepared By:	
Management Analy	_ st
Approved By:	
Department Directo	r
Submitted By:	
City Manager	_

EXECUTIVE SUMMARY:

Request for Proposals were sent to several vendors and advertised in the newspaper. The proposal opening was held November 26, 2002. The proposal received is listed below. References have been checked and staff recommends awarding the contract to Flora Terra Landscape Maintenance. This contract is expected to start after the original contractor's sixty day plant establishment period is completed.

Flora Terra Landscape Maintenance \$34,130.56

The scope of work includes: turf maintenance; weed control; pesticide application; maintenance of perennials, shrubs, trees, and groundcover; ornamental rose maintenance and care; and daily clean-up. The contract period is estimated to begin February 1, 2003 to June 30, 2003.

FISCAL IMPACT: The total cost of the contract, including a 10% contingency, is \$37,543.62. Funding exists in the FY02-03 budget under Building Maintenance – Community and Cultural Center (page 196, account number 010-42510-5150).



CITY COUNCIL STAFF REPORT MEETING DATE: DECEMBER 18, 2002

APPROVAL OF SUBDIVISION IMPROVEMENT AGREEMENT WITH SOUTH VALLEY DEVELOPERS, INC. - MONTEREY ROAD APN 764-10-004

RECOMMENDED ACTION(S): Approve the attached Subdivision Improvement Agreement and authorize the City Manager to sign the agreement on behalf of the City with South Valley Developers, Inc., Monterey Road (APN 764-10-004).

Agenda Item # 4
Prepared By:
Senior Civil Engineer
Approved By:
Public Works Director
Submitted By:

City Manager

EXECUTIVE SUMMARY:

This is a 4 lot commercial subdivision located on west side of Monterey Road just south of the Capri restaurant. Subdivider has filed a Subdivision Map and supporting documents for the subdivision known as Gateway Center. The Tentative Subdivision Map was approved on August 12, 2002 by the City's Development Review Committee. A condition of approval of the Parcel Map was that certain improvements be installed by the Subdivider as shown on the approved Subdivision Improvement Plans for assessor's parcel number 764-10-004.

The developer has furnished the City with the necessary documents to complete the processing of the Parcel Map and has made provision with the City to provide bonds guaranteeing the completion of public improvements prior to recordation of the Parcel Map. Staff recommends that City Council approve the Subdivision Improvement Agreement and authorize the City Manager to sign on behalf of the City.

FISCAL IMPACT:

Development review for this project is from development processing fees.



CITY COUNCIL STAFF REPORT MEETING DATE: DECEMBER 18, 2002

AMEND PROFESSIONAL SERVICES AGREEMENT FOR DESIGN OF TENNANT AVENUE WIDENING PROJECT

RECOMMENDED ACTION(S): Approve additional scope of work for MH Engineering in the amount of \$1,800 and authorize the City Manager to execute an amendment to the existing professional services agreement for design services for the Tennant Avenue Widening Project. The total amended professional services agreement shall not exceed \$44,210.

Agenda Item # 5
Prepared By:
Associate Engineer
Approved By:
Public Works Director
Submitted By:

City Manager

EXECUTIVE SUMMARY: On November 7, 2001, Council awarded a professional services agreement to MH Engineering to design the widening of the northern side of Tennant Avenue, between Vineyard and Monterey Road to be consistent with improvements from Vineyard to SR 101.

On August 21, 2002, Council amended the professional services agreement to include a median design for a total cost of \$8,610. The median will provide a traffic barrier and will eliminate random left turns, thereby increasing traffic safety along this stretch of road.

This amended scope of work is for three separate temporary construction easement plats and legal descriptions. The preparation of the temporary construction easement plats/legals shall commence upon Council's approval. Construction is now estimated to start in June 2003, if the City can finalize agreement for the needed right-of-way.

FISCAL IMPACT: The total cost for the MH Engineering contract as amended is \$44,210. Funds are budgeted for fiscal year 2002-2003 for these professional services from Capital Improvement project number 507B99, Tennant Avenue Widening.



CITY COUNCIL STAFF REPORT MEETING DATE: DECEMBER 18, 2002

AWARD FOR SIDEWALK, CURB & GUTTER REMOVAL AND REPLACEMENT 2002-2003 PROJECT

RECOMMENDED ACTION: Award contract to Monterey Peninsula Engineering, Inc. for the construction of the Sidewalk, Curb & Gutter Removal and Replacement 2002-2003 Project in the amount of \$34,275.

Agenda Item # 6
Prepared By:
Junior Engineer
Junior Engineer
Approved By:
Public Works Director
Submitted By:
·
City Manager

EXECUTIVE SUMMARY:

This project provides for the replacement of damaged curb/gutter and sidewalk at various locations throughout the City.

The bid opening was held on December 5, 2002 and the bids received are as listed below. The low bidder has worked on various projects with the City of Morgan Hill and we have been satisfied with their work. Staff recommends award of the contract to Monterey Peninsula Engineering, Inc. This project shall begin in February, 2003 and shall be completed by the end of March, 2003, pending weather.

\$ 34,275.00
\$ 44,000.00
\$ 44,880.00
\$ 56,840.00
\$ 57,427.00
\$ 67,333.00
\$101,800.00

FISCAL IMPACT: The total contract cost for this project is \$37,703, which includes a 10% contingency of \$3,428. Project will be funded through the Street Maintenance Budget 2002-2003.



COMMUNITY & CULTURAL CENTER PROJECT AND COMMUNITY PLAYHOUSE NOVEMBER CONSTRUCTION PROGRESS REPORT

RECOMMENDED	ACTION(S):	Information	only
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Agenda Item # 7
Prepared By:
Project Manager
Approved By:
Public Works Director
Submitted By:
City Manager

EXECUTIVE SUMMARY: Previous Council action awarded the contract for construction of the Community & Cultural Center project to DPR Construction, Inc and the contract for construction of the Community Playhouse project to Kent Construction, Inc. At award, staff informed Council that we would report monthly on the progress of the construction for each project. The progress report for the month of November is attached. This report has been sent to our webmaster for posting on the City's website.

The Community & Cultural Center project is 99% complete and the Recreation Division has been relocated from City Hall. Most of the furnishings were delivered and installed. There are some electrical items (additional site pole lights, and interior/exterior fixtures) that will be delivered and installed mid to late December. The interactive fountain #1 is awaiting delivery of the fiber optics. Those are expected later this month, too. However, inclement weather could delay the completion of that fountain. Otherwise, DPR is currently addressing punch-list items.

The Community Playhouse project is approximately three-fourths complete and had been delayed by the additional required structural upgrades. It is expected to be finished in mid-January barring any additional unforseen problems. The building is coming along nicely; however, inclement weather could also delay completion of some of that project's sitework.

FISCAL IMPACT: None at this time.



MILLER NETWORKS CONTRACT AMENDMENT

RECOMMENDED ACTION(S):

Authorize the City Manager to Execute a Contract Amendment with Miller Networks

EXECUTIVE SUMMARY: Miller Networks has been providing computer support and maintenance services to the City for the past 18 months. Due to the

addition of support at the Community Center, a slight \$500 increase in their contract has been negotiated. This represents a 3.7% increase in their monthly payment. Staff recommends that the Council authorize the City Manager to execute the attached contract amendment.

FISCAL IMPACT: No budget adjustment is required as a result of this item. Funds for computer support services have been included on page 282 of the adopted City Budget. The total base contract amount for Miller Networks will not exceed \$179,300 for FY 2002-2003 and, if the option year on the contract is exercised, \$191,400 in FY 2003-2004

Agenda Item # 8
Prepared By:
Assistant to the City Manager
Submitted By:

City Manager



SUBDIVISION APPLICATION SD 02-10: CENTRAL AVE.-WARMINGTON

RECOMMENDED ACTION(S): Take no action, thereby concurring with the Planning Commission's decision regarding approval of the subdivision map.

EXECUTIVE SUMMARY: This is a request for approval of an 8-lot subdivision within an 18.5 acre portion of the 28-acre Morgan Lane subdivision located from E. Main Ave. north, to the southerly boundary of the Morgan Hill Ranch. Warmington Homes has recently begun construction of 41 homes on an 18.5-acre portion of the project located on the north side of Central Ave.

Agenda Item # 9
Prepared By:
Senior Planner
Approved By:
Community
Development Director
Submitted By:
City Manager
,

In May 2002, the Planning Commission awarded the Warmington Home's project 8 additional allotments for Fiscal Year 2003-04.

The subdivision approval requested at this time includes eight lots located along the westerly boundary of the 18.5 acre area of the project. The lots are shown as lots 42-49 on the RPD plan. The lot sizes and dimensions are the same as proposed under the RPD. Each of the proposed lots also meets the minimum dimension and size requirements of the R-1 7,000 district.

Warmington Homes has recently completed the on-site grading for the entire 18.5-acre portion of the project. The grade difference between the 8 lots proposed and the adjacent homes in the Central Park project appears significant when out in the field. According to the approved grading plan, the pad height differences between the proposed homes and the existing Central Park homes range from .41 ft. to 2.33 ft. The pad height differences appear to come from the Central Park project utilizing a front to rear yard drainage system and the proposed Warmington project using rear to front drainage system. To help mitigate the most significant differences Warmington has agreed to redesign the drainage on lots 44 thru 47, thus reducing the pad heights by .73 ft., which will leave a pad height difference of a maximum of 1.7 ft. Warmington Homes has also made an effort to meet with each of the adjoining neighbors to discuss pad heights and possible ways to mitigate the pad height differences between the two projects.

Section 17.20.110 of the Subdivision Ordinance provides for City Council review of tentative maps which have been approved by the Planning Commission. The Council may schedule a hearing to reconsider the Commission action, or by taking no action, let the Commission's action of approval stand.

This application was reviewed by the Planning Commission at its November 26, 2002, meeting. The Commission voted 7-0, approving the request. The Planning Commission resolution, conditions of approval and subdivision map are attached. The staff report and minutes for the subdivision are attached to the zoning amendment and development agreement requests within this same agenda.

FISCAL IMPACT: None. Filing fees were paid to the City to cover the cost of processing this application.



AMENDMENT TO THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM EXEMPTION POLICY RECOMMENDED ACTION(S):

Adopt Resolution approving recommended changes to the City Council Residential Development Control System Exemption Policy

Prepared By: Planning Manager Approved By: Community Development Director Submitted By: City Manager

Agenda Item # 10

EXECUTIVE SUMMARY:

The City's Residential Development Control System applies to all types of residential development in the City with the exception of "one-dwelling unit developments which are not part of a current, planned or potentially larger subdivision, and except secondary dwelling units ("granny units")." Following the adoption of Measure P in 1990, the City Council adopted a policy (see attached) to define the City's interpretation of the one-dwelling unit exemption. Staff and the Planning Commission are recommending the Exemption Policy be revised to address two development scenarios discussed in the attached staff report.

The first change in the policy would extend the one dwelling unit exemption that applies to a single vacant lot of record, to also apply to contiguous existing parcels under the same ownership. The Planning Commission supports the change in policy as long as any resulting larger project is required to develop under a Residential Planned Development (RPD) Overlay. This would give the City additional controls over the manner in which the existing lots would be developed. The change in policy would only apply to existing lots of record that predate Measure P.

The current Exemption Policy prohibits the transfer of exempt dwelling units from one lot to another. Staff and the Commission are recommending an exception be allowed where the resulting transfer would preserve or provide additional affordable housing units. This would allow for example, the three existing dwellings in the Butterfield Boulevard alignment south of San Pedro Avenue, to be transferred to another site. The exception would only apply when the exempt units are added to an affordable housing development. Allowing these units to be transferred into another affordable project would help to preserve a portion of the City's overall affordable housing inventory. It would also allow the city to stretch the 20 percent affordable set-aside further integrating existing, or exempt housing units into new Measure P allocated affordable housing developments.

The Planning Commission voted 7-0 to recommend amendment to the City Council Residential Development Control System Exemption Policy as contained in Section 1 of the attached Resolution. The attached Planning Commission Memorandum provides additional background information.

FISCAL IMPACT: The final cost for preparation of staff reports, meetings and other research for this item has not been determined. The cost will be charged to the Community Development Fund pursuant to City Council Policy.

RESOLUTION NO. 5629

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE CITY COUNCIL RESIDENTIAL DEVELOPMENT CONTROL SYSTEM EXEMPTION POLICY.

WHEREAS, such request was considered by the City Council at their regular meeting of December 18, 2002, at which time the City Council approved an amendment to the City Council Residential Development Control System Exemption Policy; and

WHEREAS, the City Council has determined that a change in Exemption Policy pertaining to vacant lots is necessary to eliminate practices intended to circumvent the Residential Development Control System and also to give the City additional controls over the manner in which these existing lots would be developed; and

WHEREAS, a further change to the Exemption Policy is desired to provide an exception to the prohibition on the transfer of an exempt unit from one lot to another. This exception shall only apply when the resulting transfer would preserve or provide additional affordable housing units; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

- **SECTION 1.** The City Council hereby approves the following changes to the Residential Development Control System (Measure P) Exemption Policy:
 - A. Amend item number one in the first section of the policy to read as follows:
 - 1. Construction of a single family dwelling on a vacant lot of record or on a lot that was part of a vesting tentative map that was accepted for processing prior to the effective date of Measure P on December 8, 1990. This exemption would apply whether the development involved a single parcel or multiple parcels of record under single ownership. Development of two or more contiguous parcels of record as a single project under this exemption shall only be allowed to proceed with prior approval of a Residential Planned Development overlay zoning.
 - B. Add a number 5 in the first section of the exemption policy to read as follows:
 - 5. The moving of an exempt unit from one lot to another shall be allowed when the existing unit or credit for the replacement unit is incorporated into a 100 percent affordable project or a project awarded a building

allocation under the 20 percent affordable housing set-aside. A deed restriction shall be recorded on the original exempt unit site stipulating that any residential development of that site shall only be allowed to proceed upon receipt of a building allotment under the provisions of the Residential Development Control System. In all cases, the transferred units shall have recorded covenants restricting affordability for 45 years for ownership and 55 years for rentals before a Certificate of Occupancy could be issued.

- C. Amend item number 2 in the second section of the policy to read as follows:
- 2. Moving of exempt units from one lot to another *except as provided in item number 5 above.*

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 18th Day of December, 2002 by the following vote.

AYES: COUNCIL MEMBERS: NOES: COUNCIL MEMBERS: ABSTAIN: COUNCIL MEMBERS: COUNCIL MEMBERS:

EXECUTIFICATION

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5629, adopted by the City Council at the Regular Meeting on December 18, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE:	
	IRMA TORREZ, City Clerk



IN LIEU CONTRIBUTION FOR OPEN SPACE TRANSFER DEVELOPMENT CREDITS, TDC

RECOMMENDED ACTION(S): Authorize, by minute action, all RDCS projects to make monetary contributions in-lieu of the purchase of TDC's

Agenda Item # 11
Prepared By:
Senior Planner
Approved By:
Community
Development Director
Submitted By:
City Manager

EXECUTIVE SUMMARY:

Under the Open Space Category of the City's Residential Development Control System (RDCS), applicants competing for a residential building allotment may commit to the purchase of transferable development credits (TDC's) as a means to preserve open space lands. In exchange for the commitment to purchase the TDC's, points are awarded as part of the RDCS process. By policy, projects of less than 25 units and affordable housing projects are allowed to make monetary contributions in-lieu of the purchase of TDC's.

Staff has received a letter from a local developer requesting the City Council consider the expansion of the in-lieu contribution to include projects of 25 units or more. This request is being made because developers are currently unable to identify owners of eligible properties who are willing to sell TDC's.

The Planning Commission considered this matter at its December 10 meeting. The Commission recommends all projects (large, small & affordable) be allowed to pay an in-lieu contribution of \$30,882 per TDC commitment. (The amount of the TDC in-lieu contribution is adjusted annually per Section 18.78.220 of the Municipal Code.)

In addition, the Planning Commission directed staff to complete an inventory of existing open space lands which are eligible to transfer TDC's along with a list of the owners of those properties. The Planning Commission would like this information to be used by the City and developers to actively solicit eligible properties to participate in the TDC program. Also, the Planning Commission requested staff to investigate the future use of the TDC program for purchase of Burrowing Owl habitat or greenbelt acquisition.

Staff recommends the City Council approve the expansion of the policy to allow in lieu contribution to all RDCS projects by minute action. A copy of the December 10, Planning Commission staff report is attached for the Council's reference.

FISCAL IMPACT: The final cost for preparation of staff reports, meetings and other research for this item has not been determined. The cost will be charged to the community Development Fund pursuant to City Council Policy.

CITY OF MORGAN HILL SPECIAL CITY COUNCIL MEETING MINUTES - DECEMBER 4, 2002

CALL TO ORDER

Mayor Kennedy called the meeting to order at 6:05 p.m.

ROLL CALL ATTENDANCE

Present: Council Members Carr, Tate, Sellers and Mayor Kennedy

Late: Council Member Chang (arrived at 6:09 p.m.)

DECLARATION OF POSTING OF AGENDA

City Clerk Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2

CLOSED SESSIONS:

City Attorney Leichter announced the following closed session items.

1

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Authority: Government Code Section 54956.8

Property: APN 726-15-069, located on the west side of Butterfield Boulevard, 1200 feet

south of Main Avenue

Agency Negotiators: City Manager

Parties: Valley Transportation Agency Under Negotiations: Price, Terms of Agreement

OPPORTUNITY FOR PUBLIC COMMENT

Mayor Kennedy opened the closed session item to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor Kennedy adjourned the meeting to closed session at 6:06 p.m.

RECONVENE

Mayor Kennedy reconvened the meeting at 7:03 p.m.

CLOSED SESSION ANNOUNCEMENT

City Attorney Leichter announced that there was no reportable action taken in closed session.

City of Morgan Hill Special City Council Meeting Minutes - December 4, 2002 Page -2-

ADJOURNMENT

There being no further business, Mayor Kennedy adjourned the meeting at 7:05 p.m.

MINUTES RECORDED AND PREPARED BY

IRMA TORREZ, City Clerk



REDEVELOPMENT AGENCY STAFF REPORT MEETING DATE: December 18, 2002

NOVEMBER 2002 FINANCE & INVESTMENT REPORT

Agenda Item # 13
Prepared By:
Finance Director
Submitted By:
Executive Director

RECOMMENDED ACTION:

Accept and File Report

EXECUTIVE SUMMARY: Attached is the monthly Finance and Investment Report of the Redevelopment Agency of the City of Morgan Hill for the month of November 2002. The report covers activity for the first five months of the 2002/2003 fiscal year. A summary of the report is included on the first page for the Board's benefit.

The Redevelopment Agency monthly Finance and Investment Report is presented to the Agency Board and our Citizens as part of our ongoing commitment to improve and maintain public trust through communication of our finances, budget and investments. The report also serves to provide the information necessary to determine the adequacy/stability of financial projections and develop equitable resource/revenue allocation procedures.

This report covers all fiscal activity of the Redevelopment Agency.

FISCAL IMPACT: As presented.

REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL

Monthly Financial and Investment Reports

November 30, 2002 – 42% Year Complete



Prepared by:

FINANCE DEPARTMENT



REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL, CALIFORNIA

FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2002/03
FOR THE MONTH OF NOVEMBER 2002 - 42% OF YEAR COMPLETE

This analysis of the Redevelopment Agency's Financial status reflects 42% of the fiscal year. However, this analysis is somewhat limited. Normally, very little property tax increment revenue has been received as of this time of the year.

Revenues

Through November, the Redevelopment Agency received \$1,636,273 in property tax increment revenues; this is expected. Most property taxes are received in December and April. The Redevelopment Agency, as of November 30, 2002, has collected \$100,000,000 in tax increment revenue under the original plan and \$41,007,986 toward the plan amendment cap of \$147,000,000. Since the \$100 million tax increment cap for the original plan was reached during 1999/2000, all tax increment revenues collected during 2002/2003 will be collected under the plan amendment.

Interest and rental income of \$184,259 reflects interest income received only through September because interest earnings are posted in October for the quarter ended September 30 and interest earnings for the months of October and November will be posted at the end of the second quarter. 'Other Revenues' represent reimbursements and charges for current services and total \$4,089.

Expenditures

Total Redevelopment Agency Capital Projects expenditures and encumbrances equal \$14,362,396 and are 44% of budget. Of this total, \$3,530,194 represents encumbrances for capital projects and other commitments. Expenditures for administrative costs for employee services, supplies, and contract services were 36% of budget. During July, the Agency made a \$2.55 million installment payment towards the purchase of the Sports complex. During September, the Agency spent \$452,977 on property acquisitions related to the Indoor Recreation Center and Butterfield Blvd. Phase IV projects. During October, the Agency placed \$100,000 into escrow for the purchase of the Courthouse Facility property. During November, the Agency placed approximately \$318,000 into escrow for purchase of property for the Butterfield Blvd. Phase IV street project. All Capital Projects expenditures during 2002/03 have used monies collected under the plan amendment.

Budgeted expenditures plus encumbrances for Housing are at 21% of the budget for a total of \$1,426,551. Although certain loans and grants for various housing loan and grant programs have been committed, the related funds have not yet been drawn down by the recipients and, hence, are not reflected in the expenditures. All of the 2002/03 housing related expenditures have been funded with tax increment collected under the plan amendment.

Fund Balance

The unreserved fund balance of \$7,442,909 for the Capital Projects Fund at November 30, 2002, consisted entirely of monies collected under the plan amendment. The unreserved fund balance of \$7,442,909 at November 30 included future obligations to pay an additional \$6.9 million for the Courthouse Facility, an additional \$3,250,000 for purchase of the Gundersen property, an additional

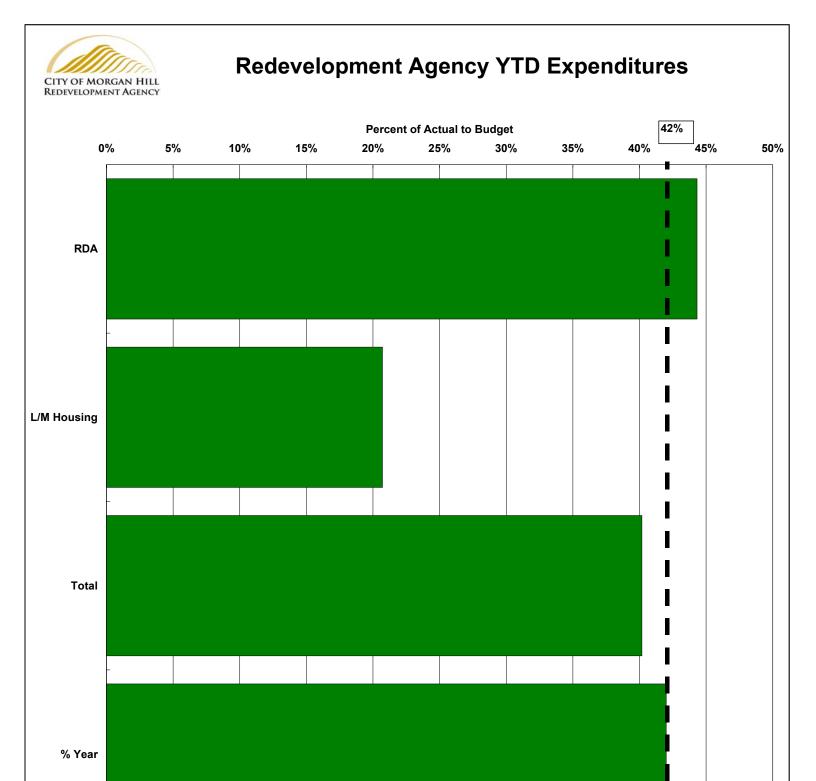


REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL, CALIFORNIA

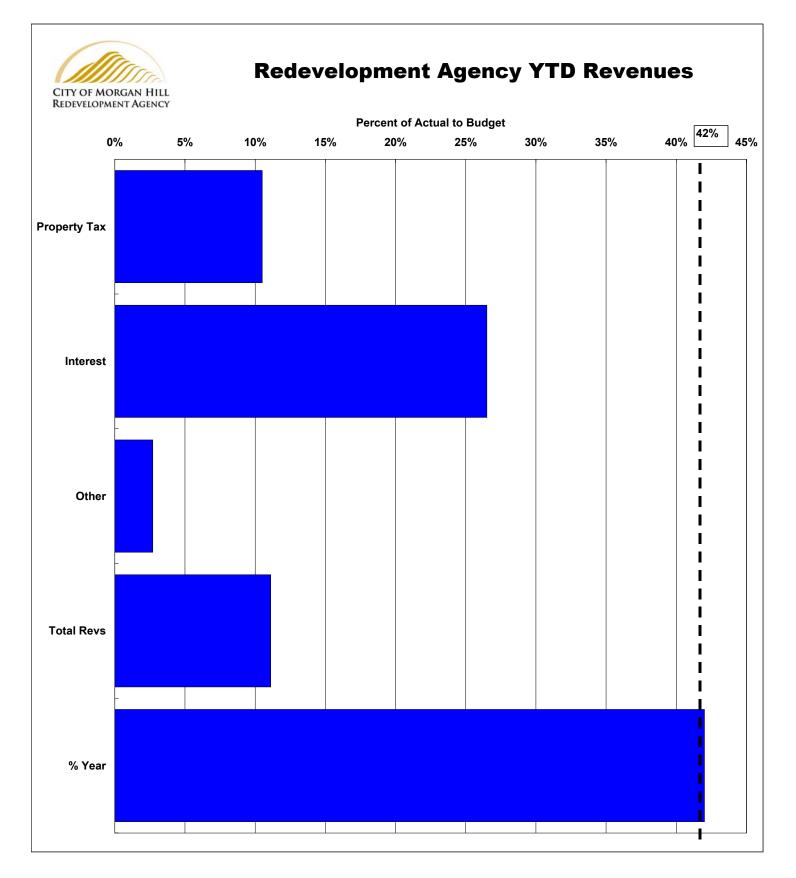
FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2002/03
FOR THE MONTH OF NOVEMBER 2002 - 42% OF YEAR COMPLETE

\$2.55 million for a sports complex, and \$1.61 million for the Lomanto property should the Agency agree to execute its option to purchase in accordance with the agreement. If all of these future commitments are subtracted from the \$7,442,909, the remaining negative unreserved fund balance at November 30 would be a negative (\$6,867,091). However, these commitments are expected to be paid out over the next 2 to 4 years and to reduce current resources by only an estimated \$3 million in 2002/03.

The unreserved fund balance of \$2,685,573 for the Housing Fund at November 30 consisted of funds all collected under the plan amendment.



Expenditure Category	Budget	Actual Plus Encumbrances	% of Budget
CAPITAL PROJECTS	\$32,410,149	\$14,362,396	44%
HOUSING	6,888,925	1,426,551	21%
TOTALS	\$39,299,074	\$15,788,947	40%



REVENUE CATEGORY	BUDGET	UDGET ACTUAL		PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR	
REVEROE OATEOORT	DODGET	ACTUAL	BUDGET	TODATE	TRIOR TEAR	
PROPERTY TAXES	\$15,522,000	\$1,636,273	11%	\$1,968,982	-17%	
INTEREST INCOME/RENTS	\$695,853	\$184,259	27%	\$344,333	-46%	
OTHER REVENUE	\$153,090	\$4,089	3%	\$13,053	-69%	
TOTALS	\$16,370,943	\$1,824,621	11%	\$2,326,368	-22%	



Redevelopment Agency Fund Balance Report - Fiscal Year 2002/03 For the Month of November 2002 42% of Year Complete

		Unaudited	Revenue	S	Expenditu	ires	Year to-Date	Ending Fu	nd Balance	Cash and In	vestments
Fund		Fund Balance	YTD	% of	YTD	% of	Deficit or				
No.	Fund	06-30-02	Actual	Budget	Actual	Budget	Carryover	Reserved ¹	Unreserved	Unrestricted	Restricted
047	CARITAL PROJECTO	COO CO4 O40	4 440 450	440/	40 000 000	440/	(0.202.742)	F 007 007	7 440 000	40.000.005	
317	CAPITAL PROJECTS	\$22,634,048	1,448,459	11%	10,832,202	44%	(9,383,743)	5,807,397	7,442,909	10,989,395	
327/328	HOUSING	\$20,841,201	376,162	11%	1,336,476	21%	(960,314)	17,195,314	2,685,573	2,788,080	
TOTAL C	APITAL PROJECT FUNDS	<u>\$43,475,249</u>	1,824,621	<u>11%</u>	12,168,678	<u>40%</u>	(10,344,057)	23,002,711	10,128,482	13,777,475	
SUMMAR	Y BY FUND TYPE										
	CAPITAL PROJECTS GROUP	\$43,475,249	1,824,621	11%	12,168,678	40%	(10,344,057)	23,002,711	10,128,482	13,777,475	
				•			•	•			
	TOTAL ALL GROUPS	\$43,475,249	1,824,621	11%	12,168,678	40%	(10,344,057)	23,002,711	10,128,482	13,777,475	
	TOTAL CASH AND INVESTMENTS									13,777,475	

¹ Amount reserved for encumbrances, fixed asset replacement, long-term receivables



Redevelopment Agency Year to Date Revenues - Fiscal Year 2002/03 For the Month of November 2002 42% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGETED	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCREASE (DECREASE) FROM PRIOR YTD	% CHANGE
CAPITAL PROJECTS FUNDS							
317 CAPITAL PROJECTS							
Property Taxes & Supplemental Roll	12,084,000	12,084,000	1,308,381	11%	1,575,186	(266,805)	-17%
Development Agreements	-	-	-	n/a	-	-	n/a
Interest Income, Rents	595,853	595,853	136,529	23%	277,637	(141,108)	-51%
Other Agencies/Current Charges	152,500	152,500	3,549	<u>2%</u>	3,403	146	<u>4%</u>
TOTAL CAPITAL PROJECTS	12,832,353	12,832,353	1,448,459	<u>11%</u>	1,856,226	(407,767)	<u>-22%</u>
327/328 HOUSING							
Property Taxes & Supplemental Roll	3,438,000	3,438,000	327,892	10%	393,796	(65,904)	-17%
Interest Income, Rent	100,000	100,000	47,730		66,696	(18,966)	-28%
Other	590	590	540	92%	9,650	(9,110)	<u>-94%</u>
TOTAL HOUSING	3,538,590	3,538,590	376,162	<u>11%</u> _	470,142	(93,980)	<u>-20%</u>
TOTAL CAPITAL PROJECTS FUNDS	16,370,943	16,370,943	1,824,621	11%	2,326,368	(501,747)	-22%



Redevelopment Agency Year to Date Expenditures - Fiscal Year 2002/03 For the Month of November 2002 42% of Year Complete

FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENDITURES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENDITURES	OUTSTANDING ENCUMBRANCES	TOTAL ALLOCATED	% OF TOTAL TO BUDGET
317 CAPITAL PROJECTS								
	BAHS Administration BAHS Economic Developme BAHS CIP	121,815 2,026 2,492,454	1,234,039 5,348,370 12,771,000	1,393,096 5,354,188 25,662,865	463,360 63,984 10,304,858	41,991 158,706 3,329,497	505,351 222,690 13,634,355	36% 4% <u>53%</u>
тот	AL CAPITAL PROJECTS	2,616,295	19,353,409	32,410,149	10,832,202	3,530,194	14,362,396	44%
327 ANI	327 AND 328 HOUSING							
	Housing	405,154	6,313,976	6,888,925	1,336,476	90,075	1,426,551	<u>21%</u>
то	TAL HOUSING	405,154	6,313,976	6,888,925	1,336,476	90,075	1,426,551	<u>21%</u>
TOTAL	CAPITAL PROJECT FUNDS	3,021,449	25,667,385	39,299,074	12,168,678	3,620,269	15,788,947	40%

Redevelopment Agency of the City of Morgan Hill Balance Sheet Report - Fiscal Year 2002/03 For the Month of November 2002 42% of Year Complete

	CAPITAL PROJECTS (Fund 317)	Housing (Fund 327/328)
ASSETS	i i	, ,
Cash and investments:	40.000.005	0 700 000
Unrestricted Accounts Receivable	10,989,395	2,788,080 20
Loans and Notes Receivable	2 206 425	22,654,480
Loans and Notes Receivable	3,206,125	22,654,460
Advance to Other Funds		
Fixed Assets ²	71,049	
Other Assets	1,000	
Total Assets	14,266,569	25,442,580
LIABILITIES		
Accounts Payable and Accrued Liabilities	11,046	10,320
Deferred Revenue ³	999,969	5,549,211
Accrued Vacation and Comp Time	5,249	2,162
Total liabilities	1,016,264	5,561,693
FUND BALANCE		
Fund Balance		
i ana Balanso		
Reserved for:		
Encumbrances	3,530,194	90,075
Advance to Other Funds		
Properties Held for Resale	71,049	
Loans and Notes Receivable	2,206,154	17,105,269
Total Reserved Fund balance	5,807,397	17,195,344
Total Nescrived Fund Balance	0,007,007	17,130,044
Unreserved Fund Balance	7,442,908	2,685,543
		. ,
Total Fund Balance	13,250,305	19,880,887
Total Link Water and Freed P.	44.000.500	05 440 500
Total Liabilities and Fund Balance	14,266,569	25,442,580

¹ Includes Housing Rehab loans and loans for several housing and Agency projects.

² Includes RDA properties held for resale.

³ Includes the deferred payment portion of the loans noted above.